

FISCAL NOTE

SB 2365

January 27, 2004

SUMMARY OF BILL: Authorizes taxpayers to file a direct appeal to the state board of equalization prior to March 1 of the second year following the tax year for a hearing to determine if the appraised value "grossly exceeds" the value as required under law. Defines "grossly exceeds" as any appraised value greater than 133% of the value required under law. Provides for the value to be reduced to the value determined by the state board and the taxes adjusted. Requires such taxpayer to pay an additional 10% tax on the reduced value to the county and city.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - \$98,400

Increase State Revenues - \$10,000

Decrease Local Govt. Revenues - Net Impact - Exceeds \$1,000,000

Estimate assumes:

- An increase in state expenditures for an additional administrative judge to process additional appeals filed as a result of extending the appeal period and allowing direct appeal to the State Board of Equalization. Salary, benefits and travel expenses for the position of \$98,400.
- An increase in state revenues from fees collected for processing additional appeals in accordance with T.C.A. 67-5-1501(d) estimated to be approximately \$10,000.
- A decrease in local government property tax revenues as a result of extending the appeal period with many appeals being heard that might not have been because the appeal period under existing law had expired. Some of the loss will be offset by additional 10% tax provided for in the bill. The net decrease is estimated to exceed \$1,000,000 statewide.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director